

## § 1.144-2

## 26 CFR Ch. I (4-1-97 Edition)

the taxpayer is \$5,000 or more, but the correct adjusted gross income is less than \$5,000, then:

(1) If the taxpayer has elected on his return to take the standard deduction, he shall be deemed to have elected to pay the tax imposed by section 3; and

(2) If the taxpayer has not elected to take the standard deduction, he shall be deemed not to have elected to pay the tax imposed by section 3.

(b) In the case of a taxpayer whose adjusted gross income for the taxable year for which a return is required or permitted to be filed on Form 1040 is less than \$5,000, the standard deduction shall be allowed to him only if he elects, in accordance with the regulations under section 4, to pay the optional tax imposed by section 3. The filing of such return on Form 1040A constitutes an election by the taxpayer to pay the tax imposed by section 3. In any case, however, in which adjusted gross income shown on the return is less than \$5,000, but the correct adjusted gross income is in fact \$5,000 or more, then:

(1) If the taxpayer has elected to pay the tax imposed by section 3, he shall be deemed to have elected to take the standard deduction; and

(2) If the taxpayer has not elected to pay the tax imposed by section 3, he shall be deemed not to have elected to take the standard deduction.

(c) In the case of a husband and wife (whether separate or joint returns are filed), the election to take the standard deduction and the manner of signifying such election shall, to the extent not limited by section 142 and the regulations thereunder, be made in accordance with the rules provided in paragraphs (a) and (b) of this section.

(d) For determination of marital status, see § 1.143-1.

[T.D. 6500, 25 FR 11402, Nov. 26, 1960, as amended by T.D. 6581, 26 FR 11677, Dec. 6, 1961; T.D. 7123, 36 FR 11087, June 9, 1971]

### § 1.144-2 Remedial actions.

The remedial action rules of § 1.142-2 apply to qualified small issue bonds issued under section 144(a) and to qualified redevelopment bonds issued under section 144(c), for this purpose treating those bonds as exempt facility bonds and the qualifying purposes for those bonds as exempt facilities.

[T.D. 8712, 62 FR 2303, Jan. 16, 1997]

EFFECTIVE DATE NOTE: By T.D. 8712, 62 FR 2303, Jan. 16, 1997, § 1.144-2 was revised, effective May 16, 1997. For the convenience of the user, the superseded text is set forth as follows.

### § 1.144-2 Change of election with respect to the standard deduction.

(a) A change of the election with respect to the standard deduction for any taxable year may be made before or after the time prescribed for filing the return for the taxable year. However, the period of time prescribed in section 6511 within which claim for credit or refund of tax must be made is not extended by the right to effect a change of election.

(b) If the spouse of the taxpayer filed a separate return for any taxable year that corresponds, for the purpose of section 142(a), to the taxable year of the taxpayer, a change of election may not be made by the taxpayer unless: (1) The spouse makes a change of election in such separate return with respect to the standard deduction consistent with the change of election sought by the taxpayer, and (2) the taxpayer and his spouse file with the district director for the district in which the taxpayer applies for the change of election a consent in writing to the assessment, within such period of time as may be agreed upon with such district director, of any deficiency of either the taxpayer or his spouse to the extent attributable to such change of election, even though at the time of the filing of such consent the assessment of such deficiency would otherwise be prevented by the operation of any law or rule of law.

(c) A change of election for any taxable year shall not be permitted if the tax liability of the taxpayer for the taxable year, or of the taxpayer's spouse for the taxable year corresponding, for the purpose of section 142(a), to the taxable year of the taxpayer, has been compromised under the provisions of section 7122.

(d) A change of election with respect to the standard deduction means:

(1) A change of election to take, or not to take, the standard deduction;

(2) A change of an election to pay, or not to pay, the tax under section 3; or

(3) In the case of a taxable year beginning after December 31, 1963, a change of an election under section 141(d)(2).

(e) For determination of marital status, see § 1.143-1.

[T.D. 6500, 25 FR 11402, Nov. 16, 1960, as amended by T.D. 6792, 30 FR 531, Jan. 15, 1965; T.D. 7123, 36 FR 11087, June 9, 1971]

### § 1.144-3 Standard deduction for individuals choosing income averaging.

(a) In the case of an individual who chooses under section 1304(a) to have the benefits of Part I of Subchapter Q (relating to income averaging) for the taxable year—

(1) Section 144(a) shall not apply, and